

Central Hollywood  
Coalition  
Board of Directors

★★★

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President  
McDonald's Restaurants

Duke Gallagher  
Treasurer  
The Production Group

Elizabeth McDonald  
Secretary  
The Los Angeles  
Film School

Fabio Conti  
The Fabiolus Café

Charles Eberly  
The Eberly Company

Brian Folb  
Paramount Contractors

Kitty Gordillo  
Hollywood YMCA

Melissa Logan  
Amoeba Music

Harout Markarian  
Western Diocese of the  
Armenian Church

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AMPAS

Fred Rosenthal  
Ametron

Katie Seymour  
Sunset + Vine

Michael Smith  
Broadreach Capital  
Partners

Arthur Stroyman  
Kilroy Realty  
Corporation

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Sarah Besley  
Executive Director



October 11, 2013

TO: Miranda Paster, Office of the City Clerk

FROM: Sarah Besley, Executive Director

SUBJECT: 3<sup>rd</sup> Quarter Report

**I. Operational Issues**

- According to the September 30<sup>th</sup> cash flow statement, the BID is scheduled to have about \$14,118 remaining at the end of the year. Additionally, the board has reserved \$32,200 for beautification projects and approximately \$56,000 remains in the prior BID account for capital projects.
- CHC Treasurer Duke Gallagher opened a new "CHC Co-op" account which will primarily be used for items pertaining to the Sunset & Dine event.
- Several newly rezoned parcels owned by LAUSD were added to the assessment roll in July; however the net payment was significantly less than anticipated. (See bullet point below.)
- In September, we presented the board with a summary sheet documenting payments and delinquencies for both public and private parcels. The overall delinquency rate for this period was approximately 5%, with 2% of delinquencies from private parcels and nearly 36% from government parcels. The largest delinquency results from the partial payment by LAUSD.
- Mariani spoke to Scott Graham at LAUSD, who explained that the district had actually been overpaying (72%), as their current policy requires them to pay 36% of their total assessment. Morrison stated that the issue has been raised with the LA BID Consortium and the CDA; further, she has alerted Mike Feuer. Staff will ascertain if this is happening in other places and reach out to CDA and the City Attorney, as LAUSD is violating the state constitution with this policy.
- A financial working group comprised of Duke Gallagher and Kitty Gordillo met with BID staff to review our assessment revenue situation (notably the delinquencies from LAUSD) and identify a plan for issuing checks in the event Duke is out of town. One of the outcomes of the meeting included requesting a bid from RBZ to track assessments from all prior years – going back to 2007 – just to ensure that delinquent assessments are being recorded to prior years.

- The Nominating Committee reported that Roxanna Sassanian and John Given have both resigned from the board as a result of new career positions. Staff met with Elva Hernandez, Hudson Capital, who was put forth by Sunset Gower Studios as a replacement for Sassanian. The next step is for her to speak with the Nominating Committee, which may choose to recommend her at the next board meeting. Given's open seat may be filled by CIM group, however there was also discussion about reaching out to Emerson College or Siren Studios for a potential candidate. The regular election process begins in October.
- City Controller Wendy Gruel has audited the BID Trust Fund, which is the fund where BID assessments are collected and concluded that the program didn't properly recover the costs associated with running the program. The BID Consortium strongly disagrees with the position and plans to raise the issue with individual councilmembers during the BID Day at City Hall.
- For the first time, the Sunset & Vine BID joined forces with the Hollywood Entertainment District for a joint All Property Owners Meeting on August 6<sup>th</sup> at Loews Hollywood Hotel. The meeting included presentations from Capt. Bea Girmala, LAPD Hollywood; State Senator Kevin de Leon; Councilmember Mitch O'Farrell; Estineh Mailian, Department of City Planning; Beth Marlis, Musician's Institute; and Genevieve Haines, Haines & Co. The presidents of each BID, Frank Stephan and Carol Massie from HED and SVBID respectively, opened and closed the meeting, which was followed by a reception.

## II. Security

- LAPD Captain Peter Zarcone was appointed to the Hollywood Division in the third quarter. Since his appointment the Captain has attended several meetings with HPOA Staff and BID Security Supervisor.
- The following are second quarter security statistics for the Sunset & Vine BID:

|     | Arrests | Radio Calls | Business Contacts | Citizen Contacts | Homeless Referrals |
|-----|---------|-------------|-------------------|------------------|--------------------|
| Q3  | 107     | 363         | 97                | 689              | 1,248              |
| YTD | 237     | 1,251       | 232               | 2,452            | 4,020              |

- This quarter the Security Committee discussed funding an expansion of the the public safety camera system currently in place at Hollywood Station, which includes one camera in the Sunset & Vine BID and eight within the Hollywood Entertainment District. Given that the cameras are over eight years old, the committee is considering the purchase of new cameras and eventually the creation of a mesh network that would enable flexible installation of cameras in different locations throughout the BID. The committee will continue to examine other options.

### III. Marketing

- The Sunset & Dine event was speculated to net approximately \$4,000 once all checks are collected and remaining bills paid. The surplus will be set aside for next year's event.
- The IDA selected "Sunset & Dine" as a Merit Award Winner for 2013. HPOA Staff will be on hand to accept the award at the IDA Conference in NYC in October.

### IV. Streetscape

- HPOA staff was informed that the Bureau of Street Services has agreed to serve as the administrator of the Crossroads grant since, in the absence of the CRA, a city department was required to serve as a sponsor. The grant funds are for the removal of Ficus trees, replacement of new trees, and repair the Walk of Fame.
- The maintenance contract with Cleanstreet is scheduled to expire on December 31, 2013. An ad-hoc selection committee comprised of representatives from both the HPOA and CHC boards will be formed in October to bid out the contract.

### V. Other

- HPOA staff engaged in multiple discussions with the BID Consortium and CDA regarding the implications from the Arts District case. Morrison is assisting the statewide CDA task force in collecting funds for legislative assistance to help clarify the definitions of general and specific benefit.
- Morrison met with new city councilmember O'Farrell regarding the Valet Parking Ordinance. It is expected that the full City Council will take a position on the ordinance before the end of the year.
- This quarter Kerry Morrison participated in a meeting with the new City Attorney, Mike Feuer, and discussed the impact of the *Lavan* case ruling. The court's decision, which allows the storage of personal belongings on the sidewalk, has created confusion within Skid Row as well as throughout the city.
- The annual PAL Gala was held on September 12<sup>th</sup> at the Taglyan Complex. Kerry Morrison was honored for her leadership and long-standing partnership with the LAPD Hollywood Division.
- The LA BID Consortium has undertaken a major effort to organize BID Day at City Hall on September 26, and hired Tara Devine, from Devine Strategies, to assist in the process. Representatives from over 20 BIDs throughout the city participated by visiting council members and city officials to raise awareness about issues impacting BIDs and provide education on what BIDs do throughout the city.

**CENTRAL HOLLYWOOD COALITION  
PROJECTED CASH FLOWS 2013**

8-JUL-13

|                                            | ACTUALS        |                  |                |                 |                  |                |                 |                  |                |                  |                  |                  | PROJECTIONS |          |       |       |     |      |        |        |           |         |          |          | Total<br>2013    |
|--------------------------------------------|----------------|------------------|----------------|-----------------|------------------|----------------|-----------------|------------------|----------------|------------------|------------------|------------------|-------------|----------|-------|-------|-----|------|--------|--------|-----------|---------|----------|----------|------------------|
|                                            | January        | February         | March          | April           | May              | June           | July            | August           | September      | October          | November         | December         | January     | February | March | April | May | June | July   | August | September | October | November | December |                  |
| <b>Receipts</b>                            |                |                  |                |                 |                  |                |                 |                  |                |                  |                  |                  |             |          |       |       |     |      |        |        |           |         |          |          |                  |
| Balance Forward from 2012                  | 42,172         |                  |                |                 |                  |                |                 |                  |                |                  |                  |                  |             |          |       |       |     |      | 37,633 |        | 237,091   |         |          |          | 42,172           |
| Property Assessments                       | 530,875        |                  |                |                 |                  | 461,506        |                 |                  |                |                  |                  |                  |             |          |       |       |     |      |        |        |           |         |          |          | 1,511,832        |
| Receivables, Penalties & Prior Assessments |                | 6,870            | 135,021        | 65,162          | 14,154           | (5,127)        |                 |                  |                |                  |                  |                  |             |          |       |       |     |      |        |        |           |         |          |          | 1,743            |
| Estimated Interest Income Wells Fargo      | 13             | 50               | 62             | 60              | 52               | 43             | 66              | 64               | 62             | 60               | 56               | 45               |             |          |       |       |     |      |        |        |           |         |          |          | 708              |
| Estimated Interest Income County & City    |                | 931              | 518            |                 |                  | 14             | 23              | 23               | 23             | 23               | 23               | 23               |             |          |       |       |     |      |        |        |           |         |          |          | 1,800            |
| <b>Total Projected Receipts</b>            | <b>842,141</b> | <b>7,851</b>     | <b>136,601</b> | <b>86,342</b>   | <b>14,266</b>    | <b>466,796</b> | <b>37,764</b>   | <b>106</b>       | <b>237,776</b> | <b>183</b>       | <b>81</b>        | <b>68</b>        |             |          |       |       |     |      |        |        |           |         |          |          | <b>1,557,144</b> |
| <b>Expenditures</b>                        |                |                  |                |                 |                  |                |                 |                  |                |                  |                  |                  |             |          |       |       |     |      |        |        |           |         |          |          |                  |
| 1. Neighborhood Issues                     |                |                  |                |                 |                  |                |                 |                  |                |                  |                  |                  |             |          |       |       |     |      |        |        |           |         |          |          |                  |
| a. Security                                | 55,530         | 66,764           | 57,068         | 56,065          | 73,760           | 58,300         | 68,443          | 68,443           | 68,443         | 68,443           | 68,443           | 68,443           |             |          |       |       |     |      |        |        |           |         |          |          | 780,279          |
| b. District Maintenance                    | 30,798         | 30,798           | 30,798         | 30,798          | 30,798           | 30,798         | 30,798          | 30,798           | 30,798         | 30,798           | 30,798           | 30,798           |             |          |       |       |     |      |        |        |           |         |          |          | 369,578          |
| c. Beautification                          |                |                  |                |                 |                  |                | 8,425           | 8,425            | 8,425          | 8,425            | 8,425            | 8,425            |             |          |       |       |     |      |        |        |           |         |          |          | 60,447           |
| d. Marketing                               | 703            | 2,007            | 300            | 1,236           | 653              |                | 8,565           | 8,565            | 8,565          | 8,565            | 8,565            | 8,565            |             |          |       |       |     |      |        |        |           |         |          |          | 45,613           |
| 2. Management Contract                     | 12,500         | 12,500           | 12,500         | 12,500          | 12,500           | 12,500         | 12,500          | 12,500           | 12,500         | 12,500           | 12,500           | 12,500           |             |          |       |       |     |      |        |        |           |         |          |          | 150,000          |
| 3. Office Expense                          | 25             | 28               | 28             | 28              | 28               | 28             | 281             | 281              | 281            | 281              | 281              | 281              |             |          |       |       |     |      |        |        |           |         |          |          | 1,853            |
| 4. Professional Services                   |                |                  |                |                 |                  |                |                 |                  |                |                  |                  |                  |             |          |       |       |     |      |        |        |           |         |          |          |                  |
| a. Consultants                             | 813            |                  |                | 813             |                  |                | 1,306           | 1,306            | 1,306          | 1,306            | 1,306            | 1,306            |             |          |       |       |     |      |        |        |           |         |          |          | 18,000           |
| b. Accounting                              |                |                  |                |                 |                  |                | 1,033           | 1,033            | 1,033          | 1,033            | 1,033            | 1,033            |             |          |       |       |     |      |        |        |           |         |          |          | 8,200            |
| c. Legal                                   |                |                  |                |                 |                  |                | 167             | 167              | 167            | 167              | 167              | 167              |             |          |       |       |     |      |        |        |           |         |          |          | 1,000            |
| d. Insurance                               | 11,501         |                  |                |                 |                  |                |                 |                  |                |                  |                  |                  |             |          |       |       |     |      |        |        |           |         |          |          | 11,501           |
| 5. Taxes and Fees                          |                |                  |                |                 |                  |                |                 |                  |                |                  |                  |                  |             |          |       |       |     |      |        |        |           |         |          |          |                  |
| a. Contingency                             | 28,165         |                  |                |                 |                  |                | 881             | 881              | 881            | 881              | 881              | 881              |             |          |       |       |     |      |        |        |           |         |          |          | 26,165           |
| b. Delinquency                             |                | 10,000           |                |                 |                  |                |                 |                  |                |                  |                  |                  |             |          |       |       |     |      |        |        |           |         |          |          | 18,287           |
| <b>Total Projected Expenditures</b>        | <b>141,066</b> | <b>122,087</b>   | <b>166,714</b> | <b>109,448</b>  | <b>117,736</b>   | <b>161,882</b> | <b>130,549</b>  | <b>130,508</b>   | <b>130,508</b> | <b>130,508</b>   | <b>130,508</b>   | <b>130,508</b>   |             |          |       |       |     |      |        |        |           |         |          |          | <b>1,550,440</b> |
| <b>Net Cash</b>                            | <b>441,085</b> | <b>(114,846)</b> | <b>34,886</b>  | <b>(14,206)</b> | <b>(103,533)</b> | <b>355,183</b> | <b>(92,784)</b> | <b>(130,403)</b> | <b>107,268</b> | <b>(130,699)</b> | <b>(130,428)</b> | <b>(130,450)</b> |             |          |       |       |     |      |        |        |           |         |          |          | <b>57,384</b>    |
| <b>Reserve for Beautification</b>          | <b>441,085</b> | <b>326,221</b>   | <b>361,188</b> | <b>342,990</b>  | <b>298,376</b>   | <b>684,479</b> | <b>801,724</b>  | <b>371,322</b>   | <b>478,688</b> | <b>348,182</b>   | <b>217,764</b>   | <b>57,304</b>    |             |          |       |       |     |      |        |        |           |         |          |          | <b>32,200</b>    |
| <b>Total Cash</b>                          | <b>441,085</b> | <b>326,221</b>   | <b>361,188</b> | <b>342,990</b>  | <b>298,376</b>   | <b>684,479</b> | <b>801,724</b>  | <b>371,322</b>   | <b>478,688</b> | <b>348,182</b>   | <b>217,764</b>   | <b>57,304</b>    |             |          |       |       |     |      |        |        |           |         |          |          | <b>32,200</b>    |

Gross Estimated Billings \$ 1,458,268.16

Reserve for Beautification

32,200

|                                   | Management Plan |                  | 2013 Budget |                  | Actuals to Date |                |
|-----------------------------------|-----------------|------------------|-------------|------------------|-----------------|----------------|
|                                   | %               | \$               | %           | \$               | %               | \$             |
| Security                          | 52.8%           | 762,233          | 52.0%       | 760,270          | 47.4%           | 309,573        |
| Maintenance                       | 19.5%           | 292,598          | 24.6%       | 390,578          | 50.0%           | 184,788        |
| Beautification                    | 4.1%            | 61,518           | 3.4%        | 30,547           |                 |                |
| Marketing                         | 2.9%            | 43,513           | 3.0%        | 45,013           | 12.2%           | 1,501          |
| Social Services                   | 1.0%            | 24,007           |             |                  |                 |                |
| Administration, Legal, Accounting | 14.2%           | 213,063          | 12.0%       | 180,053          | 48.1%           | 88,351         |
| Taxes & City Fee                  | 1.7%            | 25,560           | 1.9%        | 28,508           | 102.3%          | 20,185         |
| Contingency                       | 0.7%            | 10,442           | 1.1%        | 16,505           | 80.6%           | 10,000         |
| Delinquency                       | 2.5%            | 37,911           | 2.0%        | 30,000           |                 |                |
| <b>Total</b>                      | <b>100%</b>     | <b>1,458,440</b> | <b>100%</b> | <b>1,300,448</b> | <b>45.8%</b>    | <b>687,378</b> |

# CENTRAL HOLLYWOOD COALITION

## CASH FLOW TO DATE AND BALANCE TO DATE

30-JUN-13

|                                                | ACTUALS<br>To Date | BALANCE<br>In Budget | TOTAL<br>2013    |
|------------------------------------------------|--------------------|----------------------|------------------|
| <b>Receipts</b>                                |                    |                      |                  |
| Balance Forward                                | 42,172             |                      | 42,172           |
| Net Property Assessments                       | 1,236,198          | 275,323              | 1,511,522        |
| Receivables & Penalties                        | 1,743              |                      | 1,743            |
| Interest Income Wells Fargo                    | 280                | 428                  | 708              |
| Interest Income County & City                  | 1,463              | 137                  | 1,600            |
| <b>Total Receipts and Budgeted Balance</b>     | <b>1,281,857</b>   | <b>275,888</b>       | <b>1,557,744</b> |
| <b>Expenditures</b>                            |                    |                      |                  |
| 1. Neighborhood Issues                         |                    |                      |                  |
| a. Security                                    | 369,573            | 410,656              | 780,229          |
| b. District Maintenance                        | 184,788            | 184,788              | 369,576          |
| c. Beautification                              |                    | 50,547               | 50,547           |
| d. Marketing                                   | 5,501              | 39,512               | 45,013           |
| e. Social Services                             |                    |                      |                  |
| 2. Management Contract                         | 75,000             | 75,000               | 150,000          |
| 3. Office Expense                              | 165                | 1,688                | 1,853            |
| 4. Professional Services                       |                    |                      |                  |
| a. Consultants                                 | 1,625              | 8,375                | 10,000           |
| b. Accounting                                  |                    | 6,200                | 6,200            |
| c. Legal                                       |                    | 1,000                | 1,000            |
| d. Insurance                                   | 11,561             |                      | 11,561           |
| 5. Taxes and Fees                              | 29,165             |                      | 29,165           |
| 6. a Contingency                               | 10,000             | 5,287                | 15,287           |
| b Delinquency                                  |                    | 30,009               | 30,009           |
| <b>Total Expenditures and Budgeted Balance</b> | <b>687,378</b>     | <b>813,063</b>       | <b>1,500,440</b> |
| <b>Net Cash</b>                                | <b>594,479</b>     | <b>(537,175)</b>     | <b>57,304</b>    |
| <b>Reserve for Beautification</b>              | <b>32,200</b>      |                      | <b>32,200</b>    |
| <b>Total Cash</b>                              | <b>626,679</b>     |                      | <b>89,504</b>    |